This message is sent on behalf of Executive Vice Chancellor and Provost Darnell M. Hunt and Interim Vice Chancellor/Chief Financial Officer Reem Hanna-Harwell. (4-2-2026)

TO: Academic Senate Leadership, Deans, Vice Chancellors, Vice Provosts and University Librarian

Dear Colleagues,

As part of our broader efforts to address UCLA's financial challenges, and following discussions with the Executive Budget Action Group, we are strengthening oversight of expenditures on consultants and other external advisory engagements across campus. Consultants can play an important role in advancing key initiatives and providing specialized expertise. At the same time, the current fiscal environment requires us to prioritize expenditures even more strongly around teaching and research. Units are expected to leverage the use of internal expertise before engaging external consultants, recognizing that UCLA's faculty and staff bring significant knowledge and capabilities that often exceed those sought externally.

Approval Thresholds

To provide adequate controls for us, as we move forward, the following thresholds apply to the campus, effective immediately, for any new contracts and/or contract renewals for external consultants. Importantly, consultant costs a) under UCLA Health, b) on Contract & Grant Funds (as budgeted and approved within these funds) and c) on Gift funds (as allowable within the gift agreement) are exempt from this process but still need to follow regular campus policies & procedures and established practices.

We will define a consultancy agreement as a single engagement with a company (or an independent contractor) to perform a defined scope. Scopes that move past their original cost as part of a phase two will be aggregated with phase one costs to determine their approval thresholds. Likewise, any independent contractor extension for consultancy will be aggregated for approval threshold.

- **Under $25,000**: May proceed at the unit level with appropriate internal review and justification, as per usual practice. Segmentation of contracts to avoid approval thresholds is not permitted.

- **$25,000 – $75,000:** Requires written approval by applicable dean/vice chancellor and documentation of need, scope, and expected outcomes. This includes multi-year or cumulative engagements adding to $25,000-$75,000 (including amendments or extensions). Please attach these approvals to your requisition in BruinBuy Plus. If

approvals are not attached the requisition will not be processed. Acceptable approvals are defined as an email or word document signed by applicable Dean/Vice Chancellor.

· **Over $75,000**: Requires additional central review and approval by the Office of the CFO, in coordination with the Chancellor's Office as appropriate. This includes multi-year or cumulative engagements exceeding $75,000 (including amendments or extensions). Please attach written approval by applicable dean/vice chancellor and documentation of need, scope, and expected outcomes to your requisition in BruinBuy Plus. Procurement will then route completed documentation to the CFO/Chancellor's Office for approval.

All after-the-fact requests for consulting or professional services will require additional central review and approvals from the CFO and potentially Chancellors Office.

All justifications must include

· A clear statement of total cost, need (business / research purpose), and expected outcomes.

· A specific explanation of why the work cannot be performed internally

· Defined scope, deliverables, timeline, and total cost

Review of Existing Engagements

Units are expected to review current consultant contracts and identify opportunities to:

- Reduce scope or cost
- Conclude work earlier where appropriate
- Transition capabilities in-house

We ask for your full partnership in exercising restraint and rigor in initiating and managing external consultant engagements. Thank you for your leadership and stewardship.

Darnell Hunt

Executive Vice Chancellor and Provost

Reem Hanna-Harwell

Interim Vice Chancellor/Chief Financial Officer